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Record operating year means additional tax revenue for state government, local schools

RICHLAND, Wash. – Energy Northwest paid approximately \$4.17 million in “privilege taxes” to the state of Washington today, a nearly 38 percent increase over last year. The annual tax is levied on public power electricity producers for the privilege of generating electricity in the state.

The public power agency produces electricity at its four generating facilities: Columbia Generating Station nuclear power plant, Nine Canyon Wind Project, Packwood Lake Hydroelectric Project and White Bluffs Solar Station. Generation at these facilities totaled 9.57 billion kilowatt-hours of electricity for calendar year 2010.

Columbia produced approximately 97 percent of the total power generated by Energy Northwest, and provided it – at the cost of production – to the Bonneville Power Administration for resale to customers in the Western states. As the only nuclear power plant in the Northwest, Columbia generates enough electricity to power a million Washington homes.

2010 was a strong operational year for Columbia. The plant had a 96.6 percent capacity factor and was online the entire year. Before powering down for its biennial refueling outage in early April, Columbia set a station record for continuous operation at 505 days.

“The privilege tax we paid this year, the most ever by Energy Northwest, reflects the increased reliability and record performance of Columbia,” said Energy Northwest CEO Mark Reddemann. “Clearly, it also demonstrates how our success benefits local communities when it comes to maintaining a quality of life and improving educational opportunities.”

The “privilege tax” is levied on organizations that enjoy the privilege of generating, distributing or selling electricity in Washington, and is authorized in the Revised Code of Washington sections 54.28.020 and 54.28.025. Columbia’s portion of today’s tax payment was approximately \$4.1 million.

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Privilege taxes collected by the state on Columbia Generating Station output will be distributed, as authorized by RCW 54.28.050 and 54.28.025, to 39 separate jurisdictions and the state's general fund with 44.9 percent of the payment – \$1.842 million – going to the state school fund and 10.2 percent of the payment – \$422,060 – going to the general fund. The remaining 44.9 percent of the total taxes – another \$1.842 million – will go to jurisdictions within a 35-mile radius of the Benton County intersection of Stevens Drive and Horn Rapids Road, with distribution based upon the population in each area.

Jurisdictions receiving payments within the 35-mile radius include Benton, Franklin, Grant, Walla Walla, and Yakima counties; and the cities of Richland, Kennewick, Pasco, Benton City, Prosser, West Richland, Connell, Mesa, Grandview, Mabton and Sunnyside. The tax is distributed at 22 percent to counties (\$810,357), 23 percent to cities (\$847,191), 3 percent to fire districts (\$110,503) and 2 percent to library districts (\$73,668).

Energy Northwest has paid \$67.1 million in privilege taxes on its electricity production since Columbia Generating Station began operating in 1984, while creating virtually no greenhouse gas emissions.

In addition to the \$4.1 million in taxes on power generated by Columbia, Energy Northwest also paid \$68,171 in privilege tax for electricity produced at the agency's non-thermal electric power producing sites under RCW 54.28.020. Those include Packwood Lake Hydroelectric Project near Packwood, Wash.; Nine Canyon Wind Project south of Kennewick, Wash.; and White Bluffs Solar Station near Columbia, north of Richland, Wash. The taxes associated with non-thermal generation were distributed at 56 percent to surrounding counties (Lewis - \$11,442; Benton - \$27,917), 34 percent to the State School Fund (\$23,715) and 10 percent to the General Fund (\$7,227).

About Energy Northwest:

Energy Northwest develops, owns and operates a diverse mix of electricity generating resources, including hydro, solar and wind projects – and the Northwest's only nuclear power plant. These projects provide enough reliable, affordable and environmentally responsible energy to power more than a million homes each year, and that carbon-free electricity is provided at the cost of generation. As a Washington state joint operating agency, Energy Northwest comprises 28 public power member utilities from across the state serving more than 1.5 million ratepayers. The agency continually explores new generation projects to meet its members' needs.

Energy Northwest – www.energy-northwest.com.

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